GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5376
ANSWERED ON:30.04.2002
SURVIVAL OF CHEMICAL INDUSTRY
NIVEDITA MANE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether the Task Force on chemical industry in its report has pointed out that the growth rate of the industry has drastically come down to 3-4 percent from 14 percent;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of steps the Union Government have taken for survival of chemicals industry in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS : (SHRI S. B. MOOKHERJEE)

(a) and (b): The Task Force in its report has indicated that the profitability of Indian Chemical Industry (excluding petrochemicals, pharmaceuticals and fertilizers) has reduced from 6.3% in 1994-95 to 0.8% in 1998-99. There has been a decline in the growth of creation of gross fixed assets from 21.8% to 9.5% over the same period. The main reasons limiting the growth of Chemical industry as noted by the Task Force include international competition, uneconomic size of plants, high power cost, inefficient process technology, high prices of basic feedstock, etc.

(c): The Task Force submitted its report to the Government in the last week of March,2002. Many of the recommendations/suggestions made in the report require wider Inter-Ministerial consultations as well as detailed consultation with State Governments and Industry Associations.